

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 7/31/2006

9/13/2006

| | As of <u>7-31-06</u> | As of <u>6-30-06</u> |
|--|-----------------------------|-----------------------------|
| ASSETS: | | |
| INVESTMENTS (AT MARKET) | | |
| DOMESTIC EQUITIES | \$ 648,349,048 | \$ 654,595,767 |
| INTERNATIONAL EQUITIES | 380,370,262 | 377,166,245 |
| DOMESTIC FIXED INCOME | 310,458,963 | 314,813,187 |
| INTERNATIONAL FIXED INCOME | 82,971,800 | 81,912,666 |
| REAL ESTATE | 189,210,649 | 182,884,803 |
| VENTURE CAPITAL | 72,173,076 | 69,410,721 |
| INVESTED CASH (NOTE 1) | <u>16,852,106</u> | <u>15,969,730</u> |
| TOTAL INVESTMENTS | 1,700,385,904 | 1,696,753,119 |
| RECEIVABLES | | |
| DIVIDEND/INTEREST RECEIVABLE | 7,712,310 | 8,616,986 |
| CONTRIBUTIONS RECEIVABLE | 34,641 | 7,715,230 |
| MISCELLANEOUS RECEIVABLE | <u>925</u> | <u>1,320</u> |
| TOTAL RECEIVABLES | 7,747,876 | 16,333,536 |
| OTHER ASSETS | | |
| OPERATING CASH (NOTE 2) | 8,797,951 | 9,634,510 |
| DUE FROM OTHER AGENCIES (NOTE 3) | <u>0</u> | <u>19,504</u> |
| TOTAL ASSETS | <u>\$ 1,716,931,731</u> | <u>\$ 1,722,740,669</u> |
| LIABILITIES: | | |
| ACCOUNTS PAYABLE | 2,041,720 | 2,041,720 |
| ACCRUED EXPENSES | 113,447 | 316,761 |
| DUE TO OTHER AGENCIES (NOTE 4) | <u>16,255</u> | <u>57,240</u> |
| TOTAL LIABILITIES | 2,171,422 | 2,415,721 |
| NET ASSETS AVAILABLE: | | |
| NET ASSETS AVAILABLE BEGIN OF YEAR | 1,720,324,948 | 1,530,194,427 |
| CASH IN DURING YEAR (NOTE 5) | 16,454,000 | 143,769,000 |
| CASH OUT DURING YEAR (NOTE 6) | 16,454,000 | 143,769,000 |
| NET INCREASE (DECREASE) | <u>(5,564,639)</u> | <u>190,130,521</u> |
| NET ASSETS AVAILABLE END OF PERIOD | <u>1,714,760,309</u> | <u>1,720,324,948</u> |
| TOTAL LIABILITIES & NET ASSETS AVAILABLE | <u>\$ 1,716,931,731</u> | <u>\$ 1,722,740,669</u> |

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 7/31/2006

9/13/2006

| | Month Ended <u>7-31-06</u> | <u>Year-to-Date</u> |
|--|-------------------------------|---------------------------|
| ADDITIONS: | | |
| INVESTMENT INCOME | | |
| INTEREST/DIVIDEND INCOME | \$ 3,327,322 | \$ 3,327,322 |
| SECURITIES LENDING INCOME | <u>552,017</u> | <u>552,017</u> |
| | 3,879,339 | 3,879,339 |
| GAIN ON SALE OF INVESTMENTS | 10,418,404 | 10,418,404 |
| LOSS ON SALE OF INVESTMENTS | <u>8,596,370</u> | <u>8,596,370</u> |
| NET GAINS (LOSSES) INVESTMENTS | 1,822,034 | 1,822,034 |
| INVESTMENT EXPENSES | 175,201 | 175,201 |
| SECURITIES LENDING EXPENSES | 512,134 | 512,134 |
| SIB ADMINISTRATIVE EXPENSES | <u>11,634</u> | <u>11,634</u> |
| NET INVESTMENT INCOME | 5,002,404 | 5,002,404 |
| NET APPREC (DEPREC) MARKET VALUE | (2,971,114) | (2,971,114) |
| MISCELLANEOUS INCOME/(EXPENSE) | <u>985,206</u> | <u>985,206</u> |
| TOTAL INVESTMENT INCOME | 3,016,496 | 3,016,496 |
| CONTRIBUTIONS & ASSESSMENTS (NOTE 7) | 109,423 | 109,423 |
| PURCHASED SERVICE CREDIT (NOTE 8) | 196,750 | 196,750 |
| PENALTY & INTEREST (NOTE 9) | <u>452</u> | <u>452</u> |
| TOTAL ADDITIONS | <u>3,323,121</u> | <u>3,323,121</u> |
| DEDUCTIONS: | | |
| BENEFITS PAID PARTICIPANTS (NOTE 10) | 8,247,592 | 8,247,592 |
| PARTIAL LUMP SUM BENEFITS PAID | 378,396 | 378,396 |
| REFUNDS TO MEMBER (NOTE 11) | <u>194,887</u> | <u>194,887</u> |
| TOTAL BENEFITS PAID | 8,820,875 | 8,820,875 |
| ADMINISTRATIVE EXPENSES | | |
| RIO ADMINISTRATIVE CHARGE | 66,885 | 66,885 |
| MISCELLANEOUS EXPENSES | <u>0</u> | <u>0</u> |
| TOTAL ADMINISTRATIVE EXPENSES | <u>66,885</u> | <u>66,885</u> |
| TOTAL DEDUCTIONS | <u>8,887,760</u> | <u>8,887,760</u> |
| NET INCREASE (DECREASE) | <u>\$ (5,564,639)</u> | <u>\$ (5,564,639)</u> |

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
July 31, 2006

9/13/2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6 CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7 CONTRIBUTIONS

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 8 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

TEACHERS' FUND FOR RETIREMENT
Notes to Financial Statements
7/31/2006

9/13/2006

NOTE 9 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 10 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 11 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.